



STATE OF TENNESSEE
DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

B U S I N E S S E N T E R P R I S E R E S O U R C E O F F I C E

ANNUAL REPORT TO GOVERNOR AND GENERAL ASSEMBLY

Business Enterprise Resource Office

ANNUAL REPORT FY2010-2011 TABLE OF CONTENTS

Objective	Page
1. Background	3
1.1 Mission	3
1.2 Goals	3
1.3 Major Accomplishments	3 - 4
2. BERO Services	4-7
2.1 Technical Assistance	4
2.2 Access to Capital	4 - 6
2.3 Procurement Opportunities	6
2.4 Information Resource	6
2.5 Community Outreach	7
3. Performance Measures	7 - 11
4. Appendix	
4.1 Enabling Legislation	12 - 15
4.2 Enterprise Specialist Territory Map	16
4.3 Three-Star Program Entrepreneurship Components	17
4.4 CREST Snapshot	18
4.5 Global Entrepreneurship Week Events	19-23

1. BACKGROUND

The Office of Business Enterprise, otherwise known and referred to as the Business Enterprise Resource Office (BERO), was created in the Department of Economic and Community Development (ECD) by Chapter 135 of the Public Acts of 1977, codified as Section 4-26-101 et seq, Tennessee Code Annotated. The legislative intent of the office, stated in Section 4-26-104, is to counsel and assist disadvantaged businesses so that they could “preserve free competition on equal terms” with other businesses. See Appendix 4.1 for complete legislation.

BERO is part of the Business Development Division in ECD. Its main office is in Nashville with regional offices in Memphis, Jackson, Chattanooga and Knoxville. BERO staff includes a director, regional enterprise specialists and an administrative secretary.

In response to ECD’s new goals and initiatives, BERO is pleased to present this FY10-11 report. It is important to note that this report reflects three fiscal quarters staffed with a director, regional enterprise specialists and an administrative secretary. In the fourth quarter, as a result of the top-to-bottom review and the subsequent Jobs4TN plan, BERO’s staff has been reduced to one professional position.

1.1. Mission

BERO's mission is to provide or arrange for technical, financial and managerial assistance to small, rural, service disabled veteran-, minority- and women-owned businesses. BERO strives to expand economic opportunities for these businesses by providing information on procurement opportunities, loan programs and management programs with Tennessee private industry and government entities to help them to succeed and grow in the state of Tennessee. BERO also assists the Governor’s Office of Diversity and Business Enterprise (Go-DBE) in its mission to expand procurement opportunities for minority, women-, service disabled veteran-owned and small businesses that desire to do business with the state of Tennessee and pursue other procurement opportunities.

1.2. Goals

1. Provide technical, financial and managerial assistance to small, rural, service disabled veteran-, minority- and women-owned businesses.
2. Provide financial programs and information to small, minority-, women-, service disabled veteran-owned and rural businesses that need access to capital.
3. Provide assistance with public and private procurement opportunities for existing small, rural, service disabled veteran-, minority- and women-owned businesses by providing procurement-related events.
4. Assist the Governor’s Office of Diversity Business Enterprise (Go-DBE) in expanding state procurement opportunities for small, rural, minority-, and women-owned businesses that desire to do business with the state of Tennessee.
5. Provide relevant and timely information on BERO activities to management and other interested parties through Enterprise application reports.

1.3. Major Accomplishments

- Provided one-on-one assistance to 1,174 small, service disabled veteran-, minority- and women-owned businesses
- Coordinated 3rd annual Global Entrepreneurship Week 2010 including 2nd annual "What makes you an entrepreneur?" video competition. GEW resulted in over 75 events that reached over 3,155 entrepreneurs and small business owners across Tennessee and was part of the thousands of activities worldwide (Appendix 4.5)
- Partnered with GE Aviation for the first industry specific (aerospace) Tennessee Business Matchmaking event where over 125 appointments were held between 88 small

business professionals and 15 procurement officials from GE Aviation and its suppliers

- Provided funding to rural entrepreneurs through the ECD-BERO Rural Enterprise Loan Fund

2. BERO SERVICES

2.1. Technical Assistance

BERO enterprise specialists provide one-on-one technical assistance to entrepreneurs and small, service disabled veteran-, minority- and women-owned businesses in Tennessee. Enterprise specialists, who are located in each grand division of the state, assist clients with startup concerns, such as licensing requirements, business and marketing plan development, capital identification and more. They also assist existing businesses with procurement opportunities (public and private), access to capital, certifications, business relocation and/or expansions, turn-around situations, etc.

Enterprise specialists provide technical assistance through a variety of methods, including in-person, telephonically, or electronically. In addition, enterprise specialists coordinate with various local chambers of commerce and economic development agencies to provide one-on-one counseling on a regular basis in their communities. All technical assistance is recorded in a customized computer application called Enterprise. A variety of data is recorded in Enterprise for each client and reported in Section 3 of this report.

2.2. Access to Capital

A primary service of BERO is to assist small, service disabled veteran-, minority- and women-owned businesses with identifying sources of capital. To achieve this goal, BERO works with a variety of traditional and non-traditional lenders to understand the financial products available to its clients in each region of the state. The Small Business Administration (SBA), regional development districts, traditional banks and non-traditional lenders are among BERO's leading financial partners.

In an effort to provide a greater level of service and programming to rural communities, BERO started the first rural entrepreneurship loan fund in the department's history. Funded by two USDA grants, the fund provides microloans ranging between \$500-\$10,000 to entrepreneurs and small business owners in rural Tennessee. To qualify, applicants must operate their business in a rural area, as well as have five or fewer employees. In addition to access to capital, applicants receive pre- and post-loan technical assistance from BERO enterprise specialists, as well as other resource providers.

In May 2010, Governor Bill Haslam announced a \$50 million initiative designed to support innovation across the state called INCITE. The goal through its focus on innovation, commercialization, investment, technology and entrepreneurship, is to raise Tennessee's profile in innovation-based economic development and drive growth in the creation of knowledge-based jobs. The \$30 million Co-Investments Fund will target the creation of early stage, seed, and mezzanine capital co-investment funds. These funds will be designed to be self-sustaining and to compliment Tennessee's existing TNInvestco and Pathway Lending programs. The fund is expected to be operational by late 2011.

Working in partnership with the Tennessee SBA office, BERO assisted in the planning and/or promotion of several financing workshops for one of its most popular SBA loan products nationwide, the Community Express Loan, through the third quarter of the fiscal year. The Community Express Loan provides loans ranging from \$5,000 - \$25,000 and does not impose a collateral requirement, enabling many more individuals to have access to small amounts of capital to start or continue operating a small business. In just a few years, this loan program had become the most widely-used SBA loan product in Tennessee. After an SBA review, the pilot program ended April 30, 2011.

2.2.1. Rural Enterprise Microloan Fund

The Rural Enterprise Microloan Fund is a small business loan program that ECD and BERO established with seed funding from USDA Rural Development. The goal of the program is to expand

economic opportunities in rural Tennessee through entrepreneurship and small business growth. In September 2009, USDA awarded ECD an RBEG funded by the American Recovery and Reinvestment Act (RBEG-ARRA) to recapitalize the ECD-BERO microloan.

The loan program is for entrepreneurs and small businesses in rural Tennessee. Small loans of \$500 - \$10,000 are available for purchasing equipment, inventory, working capital and/or fixed asset purchases. Loans are below interest market rates and collateral is required on loans of \$5,000 or more. In addition to financing, all loan applicants received free business counseling and technical assistance from BERO enterprise specialists.

2.2.2. Tennessee Rural Opportunity Fund and Small Business Jobs Opportunity Fund

In 2008, Governor Bredesen launched a rural economic development fund, the Tennessee Rural Opportunity Fund (ROF); and in 2010 launched the Small Business Jobs Opportunity Fund (SBJOF). The funds were created through a partnership between the state of Tennessee, the Tennessee Bankers Association and Pathway Lending (previously Southeast Community Capital), a not-for-profit community development financial institution. ROF provides loans and technical assistance to small, disadvantaged and early-stage businesses in rural Tennessee, and the SBJOF will provided loans of up to \$2.5 million to small businesses statewide. The legislature approved a \$1.25 million appropriation through ECD for the \$10 million ROF and \$10 million for \$25 million for the SBJOF.

2.2.3. Small and Minority-Owned Business Assistance Program

The Small and Minority-Owned Business Assistance Program was created within the state of Tennessee Treasury Department by Public Chapter 830 of the Acts of 2004. The legislative intent is for the department to use this assistance provided by this program to support outreach to new, expanding and existing businesses in Tennessee that do not have reasonable access to capital markets and traditional commercial lending facilities. SMOB consists of loans and program services. Loans up to \$125,000

are available for acquisition of machinery and equipment, working capital, supplies and materials, inventory and certain other business-related activity. Interest rates range between 2 percent below prime and 2 percent above it. SMOB provides program services in the form of technical assistance, education and consulting services to qualifying businesses, including financial counseling, loan packaging assistance, cash flow management, financial management systems, strategic planning, conducting workshops and seminars and certifying qualifying businesses with Go-DBE. The program is currently suspended.

ECD has supported this program and marketed this opportunity to small, minority- and women-owned businesses statewide.

2.2.4 Energy Efficiency Loan Program

The Tennessee Energy Efficiency Loan Program will provide low interest loans to qualified commercial, industrial or nonprofit Tennessee-based businesses. The program allows 100 percent financing for energy efficient technology, energy retrofits and renewable energy systems. It is a collaborative effort among state of Tennessee, TVA, Pinnacle National Bank and Pathway Lending.

2.2.5. Small Business Administration Loan Programs

BERO educates entrepreneurs and diversity businesses on loan programs that are available through the SBA. BERO provides general information about SBA loan programs, identifies local SBA lenders, and partners with the SBA Tennessee District Office to host educational SBA loan workshops in rural and urban parts of Tennessee.

An SBA loan program to note is the Patriot Express Loan Program. The Patriot Express Loan Program is specifically for veterans and members of the military community wanting to establish or expand small businesses. Loans are available up to \$500,000. The Patriot Express loan can be used for most business purposes, including startup, expansion, equipment purchases, working capital, inventory or business-occupied real-estate purchases. Patriot Express loans feature SBA's lowest interest rates for business

loans, generally 2.25 - 4.75 percent over prime depending upon the size and maturity of the loan.

The Community Express Loan Program, provided small loans, \$5,000-\$25,000, with no collateral requirement to new and existing businesses. After a review, SBA terminated the pilot program April 30, 2011.

SBA has retained the reduced interest rates and higher guarantees, upwards of 90 percent, on its established 504 and 7(a) programs, which were put in place as part of ARRA.

2.3. Procurement Opportunities

BERO assists small, service disabled veteran-, minority- and women-owned businesses with identifying private and public sector procurement opportunities. For businesses that would like to do business with the state of Tennessee, BERO refers them to Go-DBE and assists them with the certification process, if requested. BERO partners with the University of Tennessee Center for Industrial Services Procurement Technical Assistance Center to provide technical assistance to clients wishing to do business with the federal government and its prime contractors. Finally, each enterprise specialist networks with local and regional public and private sector organizations to identify procurement opportunities for BERO clients.

2.3.1. Governor's Office of Diversity Business Enterprise

BERO supports the Go-DBE's mission to increase procurement opportunities to small, service disabled veteran-, minority- and women-owned businesses in Tennessee. BERO regional enterprise specialists market the program statewide and assist businesses with completing the vendor registration and certification form. Legislation went into effect adding the 'service-disabled veteran' business classification to the eligible business types for certification.

2.3.2. Tennessee Business Matchmaking

In addition to the one-on-one procurement assistance, BERO planned its first industry specific Tennessee Business Matchmaking in partnership

with GE Aviation. The purpose was to match small and diversity aerospace-related businesses with GE Aviation and its suppliers that have actual contract opportunities. The goal is to stimulate jobs and economic growth for Tennessee's small businesses. There were over 125 appointments were held between 88 small business professionals and 15 procurement officials.

2.3.3. SEUS-Canada

BERO partnered with ECD's international recruiting office for the second year for the Southeastern U.S. and Canadian Provinces Alliance (SEUS-CP). Over 330 one-on-one matchmaking meetings were held over two days uncovering new buyers, research collaborators, investors and other business partners from among the business delegates and key anchor companies. It opened doors for Tennessee businesses to export opportunities, as well as connecting with businesses with investment interests in Tennessee. One Tennessee company commented that he *"made a verbal agreement with another organization and that the deal is potentially valued at \$100,001 or more."* He continued, saying *"This is a business relationship that can be beneficial to many potential stakeholders both in Canada and the SE U.S."*

2.4. Information Resource

BERO serves as an information resource for entrepreneurs and existing small and diversity business owners. BERO distributes startup guides to entrepreneurs and entrepreneur resource providers, such as chambers of commerce. Upon request, BERO performs limited data research for clients in the areas of market research and building availability.

BERO developed an online county resource directory that lists all small and diversity business resources by county. These resources are categorized into six main areas: starting a business, managing a business, financing a business, opportunities, exporting and micro-enterprise. This online directory and small business guide can be found at www.tn.gov/ecd/bero.

2.5. Community Outreach

BERO conducts regular community outreach activities throughout Tennessee, particularly in rural communities. The goal is to provide information on new and existing programs to communities that might not have known about them otherwise. To accomplish this goal, enterprise specialists work with local economic development officials to conduct meetings, presentations and workshops in their communities. BERO strives to provide access to programming to rural residents by rotating its conferences throughout the state and by making its staff available in rural areas so that residents do not have to travel long distances.

As part of Governor Haslam's INCITE announcement in May 2011, ECD will fund a new or existing business incubator in each of the state's nine economic development regions.

2.5.1. On-Site Business Counseling

BERO partners with chambers of commerce to provide on-site business counseling to entrepreneurs and small businesses. The chamber markets the counseling opportunity and schedules one-on-one appointments for the enterprise specialist. The specialist brings information and resources to provide local entrepreneurs with startup guides, financing programs, etc. The counseling sessions are held monthly, quarterly, semiannually, or on a case-by-case basis.

2.5.2. Workshops and Trainings

BERO partners with local, regional and state organizations to provide small business workshops for entrepreneurs. BERO reached 4,787 individuals during its presentations and workshops this fiscal year and participated in small business events that reached another 6,171 small business owners and entrepreneurs. To raise awareness about small business resources to economic development officials, BERO regularly makes community visits and reached 1,509 individuals during these visits. BERO's total outreach impact totals 12,467 in fiscal year 2010-2011.

2.5.3. Three-Star Community Development Program

For the fourth year, BERO partnered with the ECD Three-Star Program to include entrepreneurship development components in the 2010-2011 program of work. Communities were encouraged and rewarded for developing basic and advanced programs and services that enhance entrepreneurship. Entrepreneurship and small business awareness finds certified communities reporting increased entrepreneurship activities statewide.

A list of the entrepreneurship components can be found in the Appendix 4.3.

2.5.4 CREST Pilot Program

BERO partnered with UT Institute for Agriculture and Institute for Public Service to launch the pilot Creating a Rural Entrepreneurial System in Tennessee (CREST) in early 2010. The program provides training to community teams via distance learning, coupled with intensive on-site technical assistance from a broad coalition of providers. It is designed to assist with community capacity building through the development of key components required to support entrepreneurship and small business. The eight communities are at various stages of their project implementation. To view modules or learn more about the program, go to <http://trend.ag.utk.edu>. Final reporting to be completed in early 2012.

A snapshot of objectives and modules can be found in the Appendix 4.4.

3. PERFORMANCE MEASURES

To measure its impact on the small, minority- and women-owned business community, BERO has several performance measures in place to capture data on its clients. BERO uses a customized computer application for data collection called Enterprise. The data merge from BEROExit into Enterprise was completed in early 2011. Below are reports from July 1, 2010 - June 30, 2011 on BERO client demographics, assistance requested and referrals for additional assistance. It is important to

note that data in this report reflect changes in the ECD's organizational structure.

The primary data that is collected by client is:

- Ethnicity
- Gender
- Assistance Requested
- Referrals Made

Per its enabling legislation, BERO assists disadvantaged businesses in order to preserve free competition on equal terms with those businesses constituting the major part of the business community. A “disadvantaged business” is a business that is solely owned, or has at least 51 percent of outstanding stock owned by a person who is either:

- (A) by reason of social background unable to obtain technical, business or financial assistance of a quality or quantity similar to that available to the average business;
- (B) impeded from normal entry into the economic mainstream because of past practices of discrimination based on race, religion, ethnic background, sex or service in the armed forces during the Vietnam war,
- (C) unable to compete effectively because of tendencies of regular financing and

commercial organizations to restrict their services to established businesses;

- (D) in a state of chronically low income because of long residence in an urban area with high unemployment and low income; or
- (E) impeded from normal entry into the economic mainstream because of a disability.

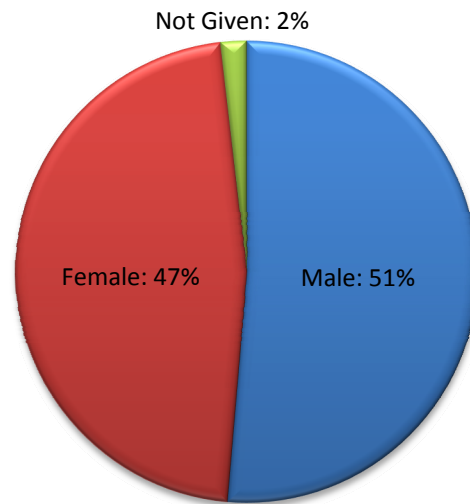
During one-on-one technical assistance with a client, the BERO enterprise specialist completes an assessment of the client’s requests for assistance; 25 percent of all requests are for assistance with public and/or private sector procurement. Other major areas of request pertain to business planning (28%), startup (15%), certification (12%), licensing (7%) and taxes (5%).

After the specialist makes an assessment, he/she identifies additional resources that are available to the client depending on his/her needs. On average, BERO identifies six resources for every client. Thirty-three percent of all referrals are for financial assistance, either to an SBA lender, traditional bank or non-traditional lender, such as Pathway Lending (formerly Southeast Community Capital).

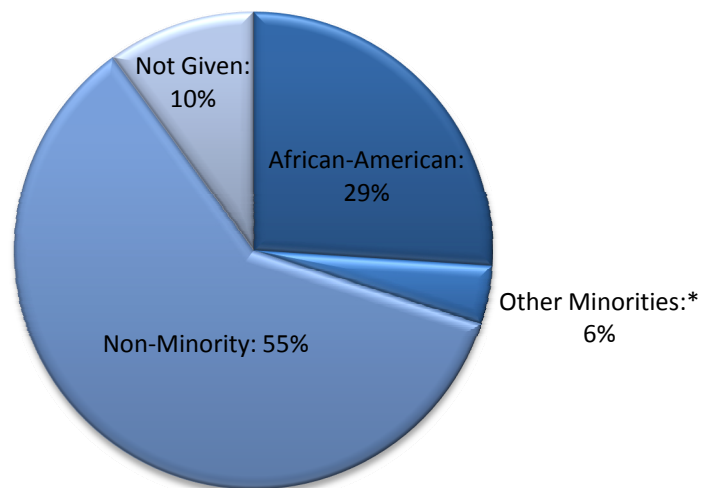
Additional charts are provided regarding the types of assistance requested by our clients as well as our list of referrals.

* * *

BERO Client Gender FY10-11

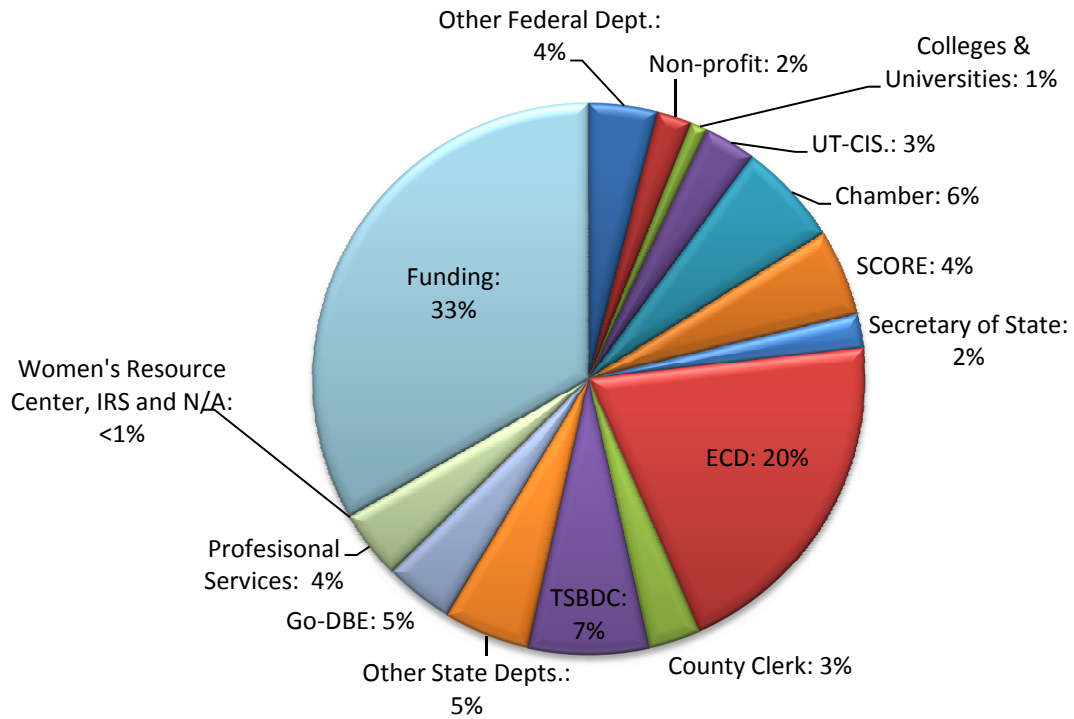


BERO Client Ethnicity FY10-11

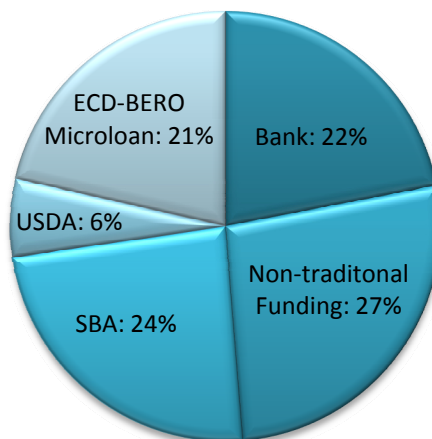


*'Other minorities' includes Hispanic, Native and Asian Americans and other ethnic minorities.

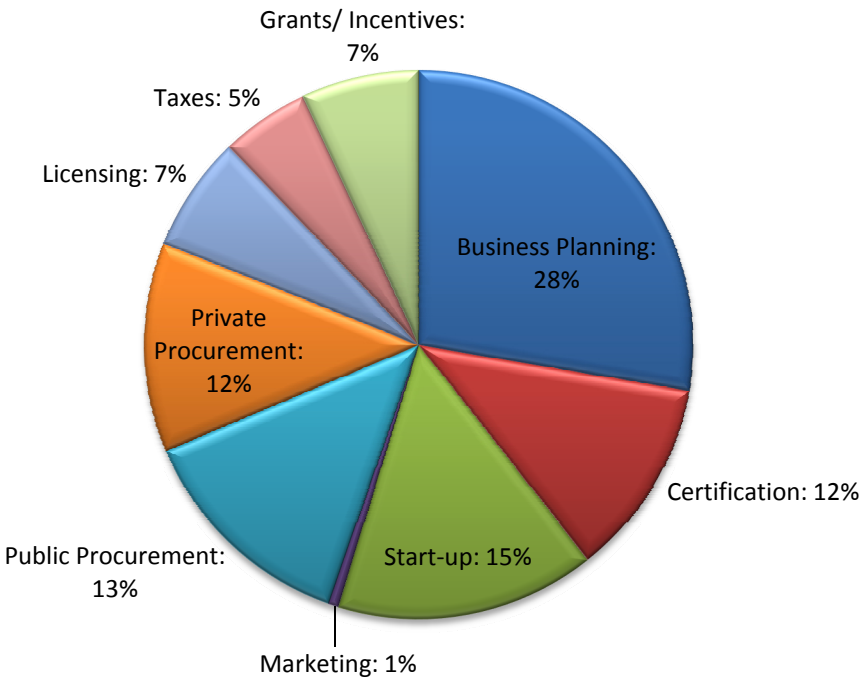
BERO Client Referrals FY10-11



BERO Client Referrals: Funding (33%) FY10-11



BERO Client Assistance Requested FY10-11



Tennessee Code/Title 4 State Government/Chapter 26 Business Enterprise Office

Chapter 26 Business Enterprise Office

4-26-101. Establishment. -

4-26-102. Chapter definitions. -

4-26-103. Powers and duties. -

4-26-104. Purpose and construction. -

4-26-105. Reports. -

4-26-106. Disadvantaged business loan guarantee program. -

4-26-107. Guidelines and reports to the government operations committees of the senate and house of representatives. -

4-26-101. Establishment. -There is established within the department of economic and community development an office of business enterprise.

[Acts 1977, ch. 135, § 1; T.C.A., § 4-2601.]

4-26-102. Chapter definitions. - As used in this chapter, unless the context otherwise requires:

(1) “Bid bond” means a bond conditioned upon the entering into a contract by a bidder, if the bidder receives the award thereof, and furnishing the prescribed payment bond and performance bond;

(2) “Commissioner” means the commissioner of economic and community development;

(3) “Department” means the department of economic and community development;

(4) “Director” means the director of the office of business enterprise;

(5) “Disability” means a physical impairment that, in the written opinion of a person's licensed physician, substantially limits one (1) or more of the major life activities of such person and is expected to continue to exist for more than five (5) years. As used in this subdivision (5), “major life activities” means caring for oneself and performing manual tasks, which includes writing, walking, seeing, hearing, speaking, and breathing;

(6) “**Disadvantaged business**” means a business that is solely owned, or at least fifty-one percent (51%) of the outstanding stock of which is owned, by a person who is either:

(A) By reason of social background unable to obtain technical, business or financial assistance of a quality or quantity similar to that available to the average business;

(B) Impeded from normal entry into the economic mainstream because of past practices of discrimination based on race, religion, ethnic background, sex or service in the armed forces during the Vietnam war; provided, that it is not the policy of this state to encourage employment outside the home of mothers of minor children;

(C) Unable to compete effectively because of tendencies of regular financing and commercial organizations to restrict their services to established businesses;

(D) In a state of chronically low income because of long residence in an urban area with high unemployment and low income; or

(E) Impeded from normal entry into the economic mainstream because of a disability;

(7) “Obligee” means:

(A) In the case of a bid bond, the person requesting bids for the performance of a contract; or

(B) In the case of a payment bond or performance bond, the person who has contracted with a principal for the completion of the contract and to whom the obligation of the surety runs in the event of a breach by the principal of the conditions of a payment bond or performance bond;

(8) “Payment bond” means a bond conditioned upon the payment by the principal of money to persons under contract with the principal;

(9) “Performance bond” means a bond conditioned upon the completion by the principal of a contract in accordance with its terms;

(10) “Prime contractor” means the person with whom the obligee has contracted to perform the contract;

(11) (A) “Principal” means:

(i) In the case of a bid bond, a person bidding for the award of a contract; or

(ii) The person primarily liable to complete a contract for the obligee, or to make payments to other persons in respect of such contract, and for whose performance of such person's obligation the surety is bound under the terms of a payment or performance bond.

(B) A principal may be a prime contractor or a subcontractor;

(12) “Subcontractor” means a person who has contracted with a prime contractor or with another subcontractor to perform a contract; and

(13) “Surety” means the person who:

(A) Under the terms of a bid bond, undertakes to pay a sum of money to the obligee in the event the principal breaches the conditions of the bond;

(B) Under the terms of a performance bond, undertakes to incur the cost of fulfilling the terms of a contract in the event the principal breaches the conditions of the contract; or

(C) Under the terms of a payment bond, undertakes to make payment to all persons supplying labor and material in the prosecution of the work provided for in the contract if the principal fails to make prompt payment.

[Acts 1977, ch. 135, § 2; T.C.A., § 4-2602; Acts 1987, ch. 369, § 2; 1993, ch. 488, § 1; 1994, ch. 767, §§ 1, 2.]

4-26-103. Powers and duties. -

(a) The department is authorized to:

(1) Provide assistance to disadvantaged businesses by advising and counseling on all phases of procurement policies, by obtaining information concerning prime contractors in letting subcontracts and by encouraging the letting of subcontracts by prime contractors to disadvantaged businesses;

(2) Receive funding from sources other than the state;

(3) Make studies and conduct workshops, conferences and seminars, with owners and employees of disadvantaged businesses to enhance their understandings of business management, bidding, licensing procedures, procurement procedures and any other activities incident to their positions in business;

(4) Develop training and educational programs in cooperation with institutions, associations, and other state, local and federal agencies, and coordinate the training efforts of the various organizations presently providing technical assistance to disadvantaged businesses;

(5) Encourage and provide the direction and coordination necessary to secure franchises and dealerships from private firms for disadvantaged businesses;

(6) Review and evaluate legislation and determine its effect upon disadvantaged businesses and make appropriate recommendations to the governor and the general assembly;

(7) Employ such personnel as may be required to implement and administer this chapter; and

(8) (A) Develop sources of capital for minority entrepreneurs;

(B) Assist in setting up new minority banks, small business investment companies, as defined in 15 U.S.C. § 681(a), and minority enterprise small business investment companies, being the companies authorized in 15 U.S.C. § 681(d) [repealed]; and

(C) Develop loan packages to assist minority business persons in the start-up or expansion of businesses, or any other financial counseling necessary to enable minority business operations to operate on a sound financial basis.

(b) (1) The department shall continually evaluate the progress of disadvantaged businesses through monitoring and techniques of evaluation, such as surveys and feasibility studies.

(2) The department shall maintain complete and consistent program data.

[Acts 1977, ch. 135, § 3; T.C.A., § 4-2603; Acts 1988, ch. 532, §§ 3, 4.]

4-26-104. Purpose and construction. -

This chapter shall be liberally construed to carry out the following purposes and objectives that:

(1) Disadvantaged businesses share in the American economic system of private enterprise through free and vigorous competition;

(2) Such competition be fostered through the encouragement and development of disadvantaged businesses; and

(3) The state aid, counsel and assist in every practical manner disadvantaged businesses in order to preserve free competition on equal terms with those businesses constituting the major part of the business community.

[Acts 1977, ch. 135, § 4; T.C.A., § 4-2604.]

4-26-105. Reports. -

(a) The department shall make a written report to the governor, the speaker of the senate, the speaker of the house of representatives, the chair of the senate commerce, labor and agriculture committee, the chair of the house commerce committee, and any governor's advisory committee on minority economic development, at least once each year, such report to be made no later than December 1.

(b) The report shall advise the officials and committees mentioned in subsection (a) on the administration and operation of this chapter.

[Acts 1977, ch. 135, § 5; T.C.A., § 4-2605.]

4-26-106. Disadvantaged business loan guarantee program. -

(a) (1) The general assembly finds that conventional funding sources for emerging and expanding disadvantaged businesses are limited or nonexistent.

(2) The general assembly further finds that promoting and encouraging economic opportunity and development within the state's minority community is a worthy public purpose.

(3) Such economic opportunity and development serve the health, safety and welfare of all citizens through creation of long-term employment opportunities, reduction of unemployment, diminished demand for costly social services and increased revenue collections.

(b) (1) There is created within the state treasury a restricted account not to exceed fifty thousand dollars (\$50,000) to be known as the “disadvantaged business loan guarantee account.”

(2) Amounts in the account at the end of any fiscal year shall not revert to the general fund but shall remain available to the department for the purposes set forth in this section.

(3) Amounts in the account shall be invested for the benefit of the account by the state treasurer pursuant to § 9-4-603. The account shall be administered by the commissioner.

(c) (1) There is created within the department the disadvantaged business loan guarantee program.

(2) The purpose of the loan guarantee program is to ensure the availability of conventional financial resources to emerging and expanding disadvantaged businesses by guaranteeing loans for disadvantaged businesses.

(3) To qualify for a loan guarantee, a disadvantaged business must demonstrate to the satisfaction of the commissioner that the loan will be fully repaid and will produce economic benefit for the community and state.

(4) The department is authorized to determine the total dollar amount of loans to be guaranteed, subject to a maximum of five (5) times the balance of appropriated funds within the loan guarantee account, plus income, less expenses associated with the program.

(5) The department is authorized to charge a premium to the borrower to help defray the cost of administering the program.

(6) The department may establish other terms and conditions for guarantees of loans.

(7) The total aggregate amount of the loan guarantee may not exceed eighty percent (80%) of any loan.

(8) All documentation evidencing a loan guarantee shall clearly state that such guarantee is an obligation of the disadvantaged business loan guarantee account and not of the general fund or the state of Tennessee, and that any amounts required to be paid pursuant to the loan guarantee are subject to the availability of sufficient funds within the guarantee account.

(d) The commissioner shall annually submit to the governor and the speakers of the senate and house of representatives, within ninety (90) days after the end of the fiscal year, a complete and detailed report setting forth the operations, transactions and accomplishments of the disadvantaged business loan guarantee fund.

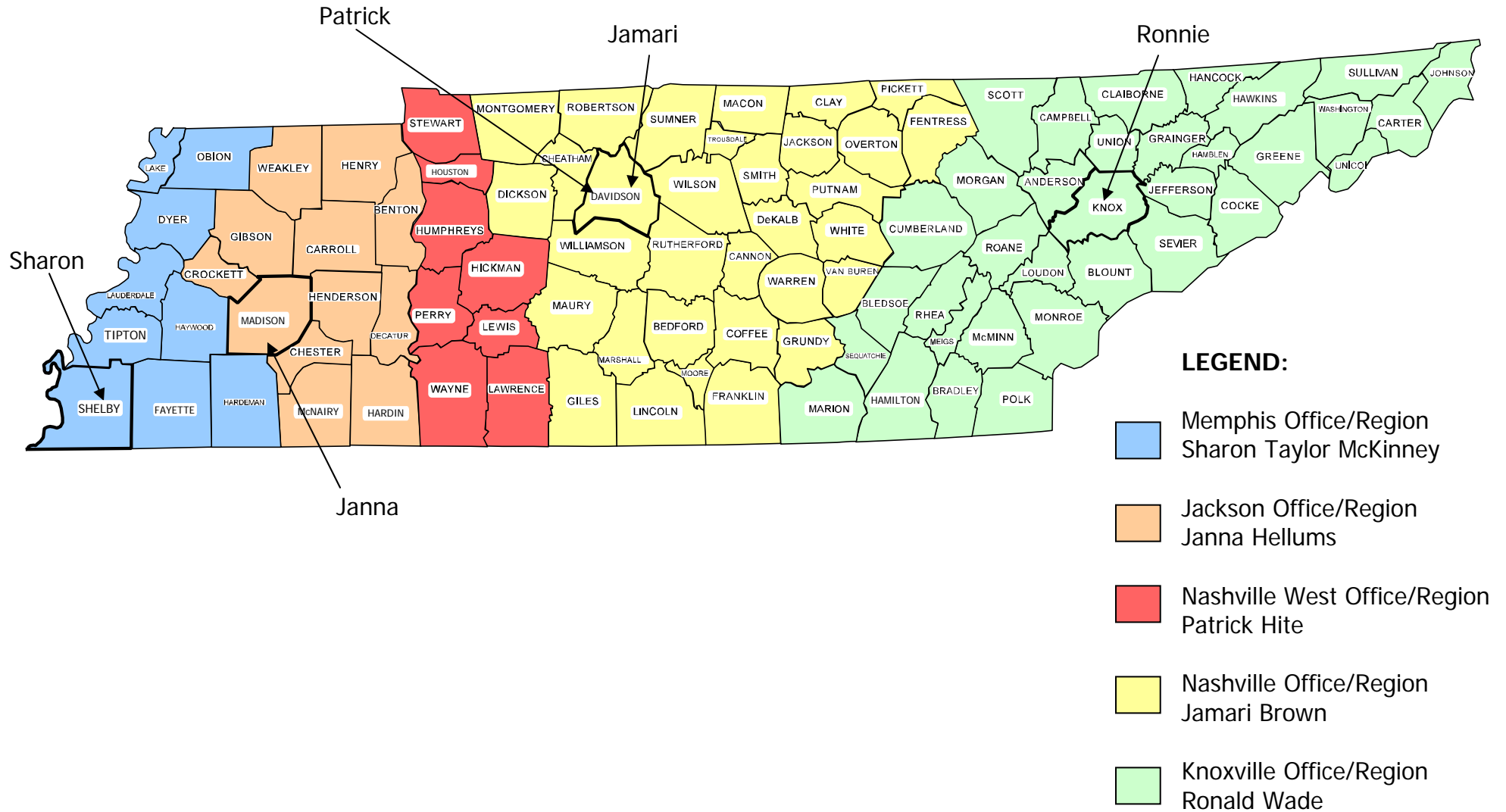
[Acts 1990, ch. 1071, § 1.]

4-26-107. Guidelines and reports to the government operations committees of the senate and house of representatives. -

The office of business enterprise shall provide guidelines to address any impediments by other state agencies to the conduct of the office of business enterprise to the members of the government operations committees of the senate and the house of representatives. The office of business enterprise shall also provide periodic reports to the government operations committees of the senate and house of representatives relative to the audit findings of the office of the comptroller.

[Acts 2006, ch. 935, § 3.]

BERO Specialist Territories



Three-Star Community Development Program Entrepreneurship Components



Best Practices: Develop an Action Plan for Entrepreneurial Development

Communities need to cultivate entrepreneurship within the community's strategic plan. Include ways to connect industry with emerging and small businesses.

Three-Star components to encourage entrepreneurial development are:

a. Tools for Startups: Provide easy tools on "How to Start a Business":

- Host a section on the chamber of commerce and/or local government Web sites with applicable links;
- Publish/provide copies of a small business guide at the chamber of commerce(s);

b. Provide information: Establish and maintain a small business resource area (kiosk) with relevant entrepreneurial programs and information

c. Encourage 'Buy local': establish a Web site that promotes local retailers and services; it may include Web site links, summary of products/services for sale, contact information.

d. Community Volunteerism for Entrepreneurship: Local residents that provide 100 hours of documented assistance (at no cost) to local small businesses and entrepreneurs within an approved organization, such as SCORE, local micro-organization, etc., will receive Three-Star credit.

e. Entrepreneurship Training:

- Elected official(s) should attend two entrepreneurship conferences in the state to network with other organizations to maintain best practice methods and stay current on entrepreneurship training and program trends.
- Include an entrepreneurship awareness component to the adult and/or youth leadership program (including, but not limited to, guest speakers, such as, TSBDC, state departments of BERO-ECD, Agriculture, local entrepreneurs, etc.)

f. Small Business Survey:

Conduct a small business survey to gain insight into the needs and expectations of entrepreneurs and small businesses, as well as to determine the 'gaps' in information in the community.

STRATEGIC ACTION: Establish a Dedicated Local Government Funding Source

The dedicated funding source will be for the establishment and sustained presence of a full-time small business counselor designated to providing assistance to local entrepreneurs and small businesses on issues related to the categories below. The initial funding source must be for a three-year period and include office space for the counselor as well as the following:

- | | | |
|---------------------|-----------------------------|---------------|
| • Start-up Concerns | • Business plan development | • Marketing |
| • Access to Capital | • Training opportunities | • Procurement |
| | | • Other |



CREST Info Snapshot

Purpose:

To assist targeted rural communities in Tennessee in transforming their local economies through the development of key components required for entrepreneurship and small business development.

Objectives:

- Assist the community in understanding the impact and importance of small business development to the long term sustainable development of their local economies and identify components that should be in place in the community to support small business development and entrepreneurship.
- Help the community develop an effective organization that will focus on small business and entrepreneurship development in the community.
- Assist the community in an asset-based strategic planning process that identifies the existing ESBD assets and weaknesses in the community.
- Help the community develop a strategic plan to address small business development opportunities and needs, and which identifies projects that can be undertaken to build community capacity for small business development.
- Work with the community to prioritize potential projects, and choose a project that builds upon local and regional assets and that will be implemented over a one year period.

Program Modules:

CREST will be separated into six modules and include distance learning and intensive technical assistance from a broad coalition of providers.

- 1: Community Statistics
- 2: Asset Mapping
- 3: Strategic Planning
- 4: Best Practices for Entrepreneurial Communities
- 5: Creating Buy-in and Implementing Projects Locally
- 6: Survey and Evaluation Methods for ESBD

Website for program: <http://trend.ag.utk.edu/crest.html>

Global Entrepreneurship Week – Tennessee
 Statewide Calendar of Events
 November 15-21, 2010
 All events are listed at local times
www.tnecd.gov/gew
 Follow us at www.twitter.com/gewtn
 Visit the Google Map <http://bit.ly/8YeK1E>

Appendix 4.5



Statewide		
Deadline October 31 st	What Makes You An Entrepreneur? Video Contest	www.tnopenforbusiness.org
Nov 15 th -21 st	CREST: Project Implementation Period	trend.ag.utk.edu/crest.html
East TN		
Nov 15 th	Honky Chateau - www.honky-chateau.com Meeting for artists, musicians, fans and entrepreneurs to discuss participation in Chateau d' Herouville project.	White Pine, TN
Nov 15 th 9:00 am - 11:00 am	TSBDC @ Pellissippi State Community College Franchising - Register	Knoxville, TN
Nov 15 th 2:00 pm - 4:00 pm	TSBDC @ Chattanooga State Technical Community College Mini Computer Workshop for Busy People— Register Fee: \$39	Chattanooga, TN
Nov 16 th Noon - 1:00 pm	TSBDC @ Cleveland State Community College Small Business Strategic Planning - Register	Cleveland, TN
Nov 16 th 3:00 pm	Strategies for Winning Government Contracts (Local, State & Federal) with Live Lending from the Largest Lender to Small Businesses in the US & Tennessee	Brainard High School 1010 N Moore St Chattanooga, TN
Nov 16 th	Speed Networking the Globe Oak Ridge High School Virtual Enterprise Class	Oak Ridge High School Oak Ridge, TN
Nov 16 th - 17 th 5:00 pm - 9:00 pm	KOSBE - Small Business Night School & Live SBA Loan Event Register	Kingsport, TN
Nov 16 th 6:30 pm - 9:00	CreateHere in partnership with The Company Lab brings Will This Float? to Chattanooga - Register	CampHouse 1427 Williams St. Chattanooga, TN
Nov 17 th	Innovation Valley Tech Council Local Entrepreneur's Share their Stories	Tech2020 Oak Ridge, TN
Nov 17 th 2:00 pm	Business Solutions Seminar Register	Millennium Center Johnson City, TN
Nov 17 th 3:00 pm - 4:00 pm	TSBDC @ East Tennessee State University Business Opportunities Webinar - Register	Johnson City, TN
Nov 18 th 8:15 am - 5:00 pm	Advanced Finance for International Business Resources for Going Global Cost: only \$98 for this full, one-day seminar - Register	Oak Ridge Chamber Economic Partnership Oak Ridge, TN
Nov 18 th 9:00 am - Noon	TSBDC @ Pellissippi State Community College Startup (How to) - Register	Blount Cty Chamber 201 S Washington Street Maryville, TN
Nov 18 th 1:00 pm - 4:00 pm	TSBDC @ East Tennessee State University Writing Your Business Plan - Register	Johnson City, TN
Nov 18 th 5:30 pm - 7:00 pm	TSBDC @ Chattanooga State Technical Community College Small Business Orientation - Register	Chattanooga, TN
Nov 18 th 5:30 pm - Till	Will This Float III Fee: \$15.00 per person - Register	Bristol Train Station Bristol, TN
Nov 20 th 10:30 am - Noon	SCORE Greater Knoxville So, You Want to Be an Entrepreneur - Register	RSCC Knoxville Campus 132 Hayfield Road

Middle TN

Nov 15 th	Launch of www.williamsoninnovate.com The Williamson County Office of Economic Development is launching a web site designed specifically for entrepreneurs in Williamson County, TN, a suburb of Nashville with 21% of its workforce classified as entrepreneurs.	Franklin, TN
Nov 15 th 8:00 am - 9:00 am	Middle Tennessee Business Network - Manchester	Microtel Hotel Manchester, TN
Nov 15 th 10:20 am - 11:15 am	"Planning for Success" ft. Roy Boudin, Owner/Proprietor of Smyrna Bowling Center in Smyrna, TN www.smyrnabowling.com	MTSU BAS S324 Murfreesboro, TN
Nov 15 th 2:20 pm - 3:45 pm	"A RIM Graduate's Story" ft. Garrett Parris, Songwriter and Freelance Music Producer www.magicmustang.com www.traxproductions.com	MTSU BAS S324 Murfreesboro, TN
Nov 15 th 6:00 pm - 8:00 pm	TNInvestco seminar and networking reception for minority- and women-owned businesses RSVP for this event or for more information, email ecd.tninvestco@tn.gov .	Entrepreneur Center Nashville, TN
Nov 16 th	Breakfast Panel discussion with successful Williamson County Entrepreneurs hosted by Franklin Tomorrow	Franklin, TN
Nov 16 th 10:00 am – 3:00 pm	International Relations Discussion and Networking International and US students at Roane State	Roane State CC Crossville, TN
Nov 16 th 9:40 am - 11:05 am	"Be Who You Are in Business: Founding a Business That Fits Who You Are, Rather than Changing Yourself to Fit Your Business" ft. Victor Wooten, www.victorwooten.com	MTSU Murfreesboro, TN
Nov 16 th 11:20 am - 12:45 pm 1:00 pm - 2:25 pm	"Getting Seen and Getting Signed in the Music Business" ft. Lorenzo Spikes, CEO/Scout of Get Seen, Get Signed in Christiana, TN www.getseengetsigned.com	MTSU BAS S324 BAS S130A Murfreesboro, TN
Nov 16 th 1:00 pm - 2:30 pm 2:40 pm - 4:10 pm	"Ten9Eight Film Screening" www.ten9eight.com FREE Admission	MTSU KUC Theater Murfreesboro, TN
Nov 16 th 4:30 pm - 6:00 pm	Entrepreneur Center Women in Technology - Co-sponsored by The Nashville Technology Council	Entrepreneur Center Nashville, TN
Nov 16 th 5:00 pm - 7:00 pm	Business After Hours - Co-hosted by Antiques & the Arts, Heritage Alliance, and Maty Katz	East Main Street McMinnville, TN
Nov 17 th 7:30 am - 9:00 am	Small Business Informed & Inspired Speaker Series Live interviews with the Nashville Area Chamber of Commerce Future 50 Hall of Fame inductees	Nashville Entrepreneur Center Nashville, TN
Nov 17 th 8:00 am - 9:00 am	Middle Tennessee Business Network - Tullahoma	Tullahoma Business Center Tullahoma, TN
Nov 17 th 9:00 am - 11:00 am	Tour of Barrett Firearms Manufacturing, Inc. Hosted by Ronnie Barrett, President, and Ralph Vaughn, Business and Global Brand Marketing Barrett Firearms Manufacturing, Inc. www.barrettrifles.com	Barrett Firearms Murfreesboro, TN
Nov 17 th 9:00 am - 11:00 am	Tour of Cumberland Emerging Technologies' Life Sciences Center a wet lab incubator. www.cet-fund.com	Cumberland Emerging Technologies Nashville, TN

Nov 17 th 10:20 am - 11:15 am	“Zoning and Planning Issues: What Entrepreneurs Need to Know” ft. Matthew Blomeley, Principal Planner City of Murfreesboro Planning and Engineering Department in Murfreesboro, TN www.murfreesborotn.gov	MTSU BAS S324 Murfreesboro, TN
Nov 17 th 10:00 am - 3:00 pm	Tennessee Technological University Entrepreneurship & Business Program Showcase	Roane State CC Crossville, TN
Nov 17 th 12:40 pm - 2:05 pm	“How to Start Up and Run a Small Business” ft. Ray Montgomery, Co-Owner of Floors and Doors, Santa Cruz Garden Furniture, Sidco Worldwide in Lebanon, TN www.santacruzgardenfurniture.com www.sidcoworldwide.com	MTSU BAS S324 Murfreesboro, TN
Nov 17 th 3:00 pm - 5:00 pm	TSBDC @ Volunteer State Community College Web Design Basics - Do's & Don'ts - Register	Gallatin, TN
Nov 17 th 5:30 pm - 7:00 pm	Nashville Area Chamber of Commerce Shared Interest Group - Women Business Owners Free - with GEW RSVP with Tara Moore (615) 743-3115	Nashville Area Chamber Nashville, TN
Nov 17 th 6:00 pm - 8:00 pm	Digital Nashville Monthly Mixer RSVP Link	Melrose Neighborhood Pub Nashville, TN
Nov 17 th 5:30 pm - 7:30 pm	Entrepreneur Center Entrepreneur’s Social Mixer- Join the Entrepreneurial Community to celebrate Global Entrepreneurship week. Networking after-hours at the Center. Open Event	Entrepreneur Center Nashville, TN
Nov 17 th	Owen Graduate School of Management Hosts: Entrepreneur, Mark Harris for a session on pitching business ideas and receiving funding.	Vanderbilt University Owen Graduate School of Management Nashville, TN
Nov 18 th 7:30 am - 8:30 am	Nashville Geek Breakfast RSVP Link	Nashville Nashville, TN
Nov 18 th 8:00 am - 9:00 am	Middle Tennessee Business Network - Bedford	Shelbyville Parks & Rec. Shelbyville TN
Nov 18 th 8:00 am - 9:25 am	“Blending Quality and Atmosphere into the Perfect Shot” ft. Teresa Harmon, Co-Owner of JoZoara Coffee Shop in Murfreesboro, TN www.jozoaracoffeeship.com	MTSU BAS S130A Murfreesboro, TN
Nov 18 th 8:30 am - 9:30 am	Nashville Geek Breakfast RSVP Link	Nashville Nashville, TN
Nov 18 th 9:40 am - 11:05 am 1:00 pm - 2:25 pm	“Today’s Business Insurance Needs” ft. Andy Womack, Agent with State Farm Insurance, Inc. in Murfreesboro, TN www.andywomack.com	MTSU BAS S324 Murfreesboro, TN
Nov 18 th 10:00 am – 3:00 pm	Cumberland Business Incubator Showcase	Roane State CC Crossville, TN
Nov 18 th 11:20 am - 12:45 pm	“From the Classroom to the Boardroom” ft. Connie Landers, Owner of Jaci’s Jewels in Shelbyville, TN www.jacisjewels.com	MTSU BAS S324 Murfreesboro, TN
Nov 18 th 1:00 pm - 2:25 pm	“What Does It Take to Start a Business?” ft. Connie Landers, Owner of Jaci’s Jewels in Shelbyville, TN www.jacisjewels.com	MTSU BAS S130A Murfreesboro, TN
Nov 18 th 2:40 pm - 4:05 pm	“Developing Local Interests into a Global Impact” ft G. Allen Jackson, Senior Pastor of World Outreach Church/Intend Ministries and Rutherford County Chamber of Commerce 2009 Business Person of the Year www.wochurch.org	MTSU BAS S324 Murfreesboro, TN

Nov 18 th 1:30 pm - 4:30 pm	TSBDC @ Volunteer State Community College Developing a Business Plan - Register Fee: \$ 20.00	Gallatin, TN
Nov 18 th 5:00 pm – 7:00 pm	TSBDC @ Tennessee State University SBA Financing and US Bank - Register	TSU Avon Williams Campus Nashville, TN
Nov 18 th 5:00 pm - 7:00 pm	Entrepreneur Center -Social Enterprise SEA/Nashville Social Enterprise Alliance Chapter Launch Invitation Only	Entrepreneur Center Nashville, TN
Nov 18 th 5:30 pm - Till	Opportunities in the Digital Marketplace And How It Can Help Grow A Business? Limited Seating - RSVP 931-724-4337	Waynesboro First Baptist Church Waynesboro, TN
Nov 19 th 8:30 am - 9:30 am	Nashville Area Chamber of Commerce Shared Interest Group - Solopreneurs Free - with GEW RSVP with Tara Moore (615) 743-3115	Specs Optical LLC The Mall at Green Hills Nashville, TN 37215
Nov 19 th 10:20 am - 11:15 pm	“The Art of the Elevator Pitch: How to Sell Your Idea in 60 Seconds or Less” Douglass Tatum, Wright Travel Chair in Entrepreneurship at MTSU www.mtsu.edu/~bcen www.mtsu.edu/~entre	MTSU BAS S324 Murfreesboro, TN
Nov 19 th 12noon-1:30pm	TSBDC @ Tennessee Tech University Community Express Loan Workshop Register	Vocational Rehabilitation Center Cookeville, TN
Nov 19 th 1:00 am - 5:15 pm	“MTSU Entrepreneurship Speaker Series Finale” Welcome by Douglass Tatum, Wright Travel Chair in Entrepreneurship Opening Remarks by Dr. E. James Burton Dean, Jennings A. Jones College of Business Student Entrepreneur Panel Discussion: Angelyn Pass, Founder of Glāk Love™ www.etsy.com/shop/glaklove Tim Liu, Engineer at Urjanet www.urjanet.com	MTSU State Farm Lecture Hall BAS S102 Murfreesboro, TN
Nov 20 th 3:30 pm	Belmont - Entrepreneurship Challenge and Fall Day Camp for High School Students	Belmont University Nashville, TN
West TN		
Nov 13 th	BarCamp Memphis 2010 www.barcampmemphis.com/	Memphis, TN
Video Live Nov 15 th -19 th Live Video	Entrepreneurs in Action: Interviews with local practitioners	UT Martin College of Business and Global Affairs
Nov 16 th 9:00 am - 12:00 am	Finding New Markets through Government Contracting Register	Alamo, TN
Nov 16 th 1:30 pm - 2:30 pm	TSBDC @ Jackson State Community College How to Start a New Business - Register	Alamo, TN
Nov 16 th 2:00 pm - 5:00 pm	Capital Funding: Keys to Success Panel discussion on TNInvesco and Innova Pre-registration is required RSVP to Donna Christian at (901) 680-7216	Christian Brothers University 650 E Parkway S Memphis, TN
Nov 16 th 2:45 pm - 4:00 pm	TSBDC @ Jackson State Community College Effective Management Techniques - Register	Alamo, TN
Nov 17 th 9:00 am - 11:00 am	TSBDC @ Southwest Tennessee Community College Business Plan Development - Register	Memphis, TN

	Fee: \$25	
Nov 17 th 1:00 pm - 5:00 pm	Catfish Tank Southern twist on the popular Shark Tank TV RSVP by calling (901) 866-1433	20 South Dudley Street Memphis, TN
Nov 18 th Noon - 1:30 pm	Managing Across Generations in the Workplace & Harassment Prevention - (731) 423-2200 Fee: \$50.00 for members and \$65.00 for non-members	Jackson Area Chamber Jackson, TN
Nov 18 th Noon - 1:30 pm	Three Course Conversations on Entrepreneurship - Society of Entrepreneurs Luncheon - Register	Crescent Club Memphis, TN
Nov 18 th 5:30 pm - 7:30 pm	TSBDC @ Dyersburg State Community College Marketing Your Business for Success - Register	Dyersburg State Dyersburg, TN
Nov 18 th 6:00 pm - 7:00 pm	SCORE Memphis Growing an Existing Business	Memphis Public Library, 3rd fl 3030 Poplar Avenue Memphis, TN
Nov 18 th 6:00 pm - 8:00 pm	Emerging-200 Memphis Class of 2010 Graduation RSVP to Sandra Jackson @ (901) 526-9300 by Nov. 16 th	Memphis BioWorks 28 South Dudley Memphis, TN
Nov 19 th 11:30 am-1:30pm	The 2010 Robert R. Church, Sr. Achievement Awards Luncheon - Register online at www.mmbc-memphis.org	Holiday Inn - University of Memphis Memphis, TN

About Global Entrepreneurship Week

Global Entrepreneurship Week is a global initiative to promote entrepreneurship, innovation and creativity in local communities across the globe. On the week of Nov. 15-21, millions of people around the world will join a growing movement to generate new ideas and to seek better ways of doing things. Thousands of activities are being planned in more than 90 countries around the world. Global Entrepreneurship Week is founded by the Ewing Marion Kauffman Foundation and Enterprise UK. To view a complete list of participating countries and organizations or to learn more, visit www.unleashingideas.org.

About Business Enterprise Resource Office

The Business Enterprise Resource Office (BERO) works to expand economic opportunities for small, rural, minority and women-owned businesses in Tennessee by providing information on procurement opportunities, loan programs and management programs with Tennessee private industry and government entities. BERO is an office within the Department of Economic and Community Development.

-last updated November 15, 2010

About ECD

The Tennessee Department of Economic and Community Development's mission is to develop strategies which help make Tennessee the No. 1 location in the Southeast for high quality jobs. The department seeks to attract new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth. To find out more, go to www.tn.gov/ecd.

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